



Faculty of Cognitive Sciences and Human Development

**THE RELATIONSHIP BETWEEN ORGANISATIONAL FACTORS  
AND USER SATISFACTION IN USING EMPLOYEE SELF-SERVICE  
SYSTEM**

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## Statement of Originality

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**“ The Relationship between Organisational Factors and User Satisfaction in  
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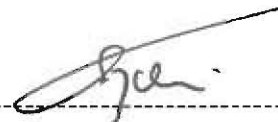
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## ABSTRACT

### THE RELATIONSHIP BETWEEN ORGANISATIONAL FACTORS AND USER SATISFACTION IN USING EMPLOYEE SELF-SERVICE SYSTEM

Nurul Hayati binti Abu Bakar

This research was conducted for the purpose of identifying the relationship between selected organisational factors and user satisfaction in using employee self-service system (ESS). The factors that have been chosen are top management support, user involvement and information system planning. This study was done at Universiti Malaysia Sarawak (UNIMAS), Kota Samarahan, Sarawak. Survey questionnaire was used as research instrument for data collection in which the validity and reliability of all items in the questionnaire have been tested using a pilot study. 91 support staffs from UNIMAS were randomly selected as a sample of this study. Data was analysed using Statistical Package for Social Science (SPSS) version 17.0. The result from Pearson Correlation test showed that all factors namely top management support ( $r = 0.633$ ,  $p = 0.000$ ), user involvement ( $r = 0.694$ ,  $p = 0.000$ ) and information system planning ( $r = 0.582$ ,  $p = 0.000$ ) have a significant relationship with user satisfaction in using the ESS. Meanwhile, Multiple Regression analysis which was used to identify the dominant factor of this study illustrated that user involvement is the dominant factor which contribute the most to user satisfaction ( $R^2 = 0.538$ ,  $\beta = 0.536$ ). As for conclusion, top management support, user involvement and information system planning are proved to contribute in user satisfaction of using the ESS.

## **ABSTRAK**

### **HUBUNGAN ANTARA FAKTOR ORGANISASI DAN KEPUASAN PENGGUNA DALAM MENGGUNAKAN SISTEM LAYAN DIRI PEKERJA**

*Nurul Hayati binti Abu Bakar*

*Kajian ini telah dijalankan dengan tujuan untuk mengenal pasti hubungan antara faktor organisasi terpilih dengan kepuasan pengguna dalam menggunakan sistem layan diri pekerja (ESS). Faktor yang telah terpilih adalah sokongan pengurusan atasan, penglibatan pengguna dan perancangan sistem maklumat. Kajian ini telah dijalankan di Universiti Malaysia Sarawak (UNIMAS), Kota Samarahan, Sarawak. Borang soal selidik telah digunakan sebagai instrumen kajian untuk pengumpulan data di mana kesahihan dan kebolehpercayaan semua perkara dalam borang soal selidik telah diuji menggunakan kajian rintis. 91 orang staf sokongan dari UNIMAS telah dipilih secara rawak sebagai sampel kajian ini. Data telah dianalisis menggunakan Statistical Package for Social Sciences (SPSS) versi 17.0. Keputusan daripada ujian Korelasi Pearson menunjukkan semua faktor iaitu sokongan pengurusan atasan ( $r = 0.633$ ,  $p = 0.000$ ), penglibatan pengguna ( $r = 0.694$ ,  $p = 0.000$ ) dan perancangan sistem maklumat ( $r = 0.582$ ,  $p = 0.000$ ) mempunyai hubungan yang signifikan dengan kepuasan pengguna dalam menggunakan ESS. Sementara itu, ujian Regressi Berganda yang digunakan untuk mengenal pasti faktor dominan dalam kajian ini menunjukkan penglibatan pengguna adalah faktor dominan yang paling banyak menyumbang kepada kepuasan pengguna ( $R^2 = 0.538$ ,  $\beta = 0.536$ ). Sebagai kesimpulan, sokongan pengurusan atasan, penglibatan pengguna dan perancangan sistem maklumat telah terbukti menyumbang kepada kepuasan pengguna dalam menggunakan ESS.*

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 Introduction**

During the last decades, there has been a great deal of focus on information systems (IS), the success of their implementation as well as the possible benefits and similar topics. In Malaysia, there are numerous organisations implementing an information system called employee self-service system (ESS) to help smoothes the administration of Human Resources (HR) activities. This application allows employees to obtain information and process transactions on their own via the Internet, without having to seek assistance from the HR or the call center (MacAvoy, 2002). Consequently, the administrative tasks can be reduced and allow employees to do more strategic activities, improve data integrity and thus promotes employee empowerment (Hawking and Stein, 2003).

The ESS is acknowledged to convey lots of advantages to both organisations and employees. Laverick in 2003 has listed numbers of advantages of this IS, for instances, it can reduce HR expenses on time and money as the printing and distribution of paper form will be reduced. Plus, it allows management to post consistent messages and notices on a regular basis, or as needed. On the other hand, employees can also benefit by having a quick guide to the tools and information that they are searching for. It will consequently increase their satisfaction as they can get the answers for their questions quicker. Apart from that, Zampetti and Adamson (2001) have also addressed ESS' ability to achieve effective HR management's goals



which include personal data quality, employee empowerment, process improvements and integrating HR at the employee level.

In overall, the purpose of this study is to examine the relationship between organisational factors and user satisfaction in using the ESS. This study is based on a research done by James Y. L. Thong (2001) which studied on the influence of resource constraints on IS implementation in Singaporean small business. Adapting from this study, the researcher is interested to investigate the influence of organisational factors under time constraints; which is one of the factors studied by Thong, on user satisfaction in using ESS. From the literature reviewed, the factors in time constraint such as top management support, user involvement and IS planning is believed to contribute in increasing user satisfaction (Thong, 2001) in using ESS. Using these factors, the researcher intends to propose a study in a Malaysia context to determine the acceptance of ESS in a different culture.

In this very first chapter, the researcher will further elaborate on the background of this study, statement of the problems, research questions, objectives as well as the hypotheses of this study. The significance in addition to limitations of this study will also be discussed for future improvement.

## **1.1 Background of the Study**

In general, this study is conducted to distinguish the relationship between organisational factors and user satisfaction of using ESS. This study has been done on small businesses in Singapore by James Y. L. Thong in 2001. However, his study is focusing on the IS as a whole. Studies focusing on this particular system of ESS have not been done in Malaysia thus attracting the researcher to explore the situation in this country.

The Human Resource Management (HRM) function has changed dramatically over time evolving from the traditional administrative function to a more strategic and sophisticated human capital management. Many companies have used the IS in implementing their HRM activities to help lower administration costs, improve employee communication and satisfaction, and provide real time access to

information while at the same time reducing processing time. The application of HR functions in the technology and IS (e-HR) consists of two elements; one is the use of electronic media whilst the other is the active participation of employees in the process (Hawking, Stein & Foster, 2004).

One of the emerging uses of IS in HR is the employee self-service system (ESS). ESS is a system which delivers relevant HR information to staff and allows them to perform simple HR functions; for example applying annual leaves on-line (Laverick, 2003). *They can update their personal details, apply for leave, view their pay details and associated benefits, view internal job vacancies and book training and travel* (Hawking & Stein, 2003). The practice of ESS has been widely used in various organisations all over the world. It is believed to benefit the organisations in respects to the costs and time. Some of the world's largest employers as Ford, Delta and Cisco have invested huge amounts to ensure total access among employees and have recognized the benefits of ESS as outweighing (Zampetti & Adamson, 2001). In Malaysia, huge companies such as Malaysia Airlines (MAS), Eastern Pacific ICT Sdn Bhd (EPICT), International Islamic University Malaysia (IIUM) and Universiti Malaysia Sarawak (UNIMAS) have been using this system to assist them in lowering HR activities.

According to the research done by Thong (2001), there are three types of constraints faced by organisations in implementing IS as proposed in resource constraints, which includes financial constraints, expertise constraints as well as time constraints. The term time constraints refer to the limited amount of time available for activities beyond the normal job responsibilities (Thong, 2001). The implementation of any information system as ESS demands a large amount of time, especially in terms of support from the top management, involvement of user and a strategic planning to ensure its success. These three factors shall be used as the possible organisational factors that can measure the user satisfaction of using the ESS.

The top management support is very crucial in the implementation of any systems in any organisations. The support may be in the form of information policy, supervision, as well as adequate training. To develop IS applications and infrastructures thus supporting end users during implementation, substantial materials and managerial

resources are required (Sharma & Yetton, 2003). However, those activities acquire a great commitment to time. As we know, time is very precious to the top management such as chief executive officer (CEO), directors, managers, including supervisors. Due to their limited time, they are not very involved in the IS implementation projects. This may lead to IS failure, which means that the implementation of IS did not meet the objectives and the users cannot benefit from the IS.

On the other hand, the involvement of users in the implementation process is another key success to its accomplishment. The potential users should be allowed time-off from their normal job responsibilities to involve either technically in the IS projects, or at least given the opportunity to give some input and ideas. By having this opportunity, the users will feel that the IS fits their requirements, easy to use due to the learning experience during the design phase, and experiences a sense of ownership (Barki & Hartwick, 1989; Hirschheim, 1985; Robey & Farrow, 1982 as cited in Thong, 2001). Without effective involvement of users in all stages of planning and design of IS project, the organisation is simply storing up problems for the future. If problems arise in the post-implementation of the IS, they are likely to become serious and intractable since system changes are expensive as the design progresses and “hardens” (Damodaran, 1996).

Whereas, another important factor which contributes to IS success is a good planning of the IS itself. The plan should define the overall structure and architecture of the IS as well as the boundaries for individual application so that organisational priorities and necessary physical development sequence can be identified (Davis, 1982). For that reason, a well-planned IS acquires a great amount of time to analyse user requirements, analyse and design the system, plus controlling the resources. Yet, this phase may have been neglected since the time provided to implement a system is much limited. Therefore, more effort should be spent on IS planning to produce a vast final system.

Conversely, the user satisfaction has been widely used to measure the success and effectiveness of any IS. Apart from user satisfaction, organisational impact is also believed to influence the effectiveness of IS (Thong, Yap & Raman, 1993). However, the researcher is interested to focus on the user satisfaction to measure the success of



ESS. The organisational factors such as top management support, user involvement along with IS planning which are derived from the organisational factors are believed to contribute to user satisfaction of using the ESS.

## **1.2 Problem Statement**

As stated earlier, the main reason or purpose of this paper is to examine the relationship between organisational factors and user satisfaction in using ESS. Previous studies by numbers of researchers have been done in the field of Human Resource Information Systems (HRIS). For example, in 1998, Ball has conducted a survey to investigate the use of HRIS. Another research by Ngai and Wat in 2004 has pointed out the perceived benefits and barriers to HRIS implementation in Singapore. Interestingly, the topic on ESS has not been much emphasized. Fewer studies have been done to investigate the success and effectiveness in the implementation of ESS thus attracting the researcher to propose a study focusing on this beneficial IS.

Besides, even though there has been few researches done on the topic of ESS recently (e.g., Konradt, Christopherson & Ute, 2006; and Hawking, Stein & Foster, 2004), none of them has studied on the effects of organisational factors in ESS implementation. Thong in 2001 has studied on time constraint factors along with other factors to discover their influences on IS in general, but not focusing on ESS. Using organisational factors as a construct, the researcher is determined to further his study on the issue of ESS implementation.

Moreover, the success and effectiveness of the implementation of this particular IS in Malaysia has not been studied. The variables such as top management support, user involvement and information systems planning may be practiced differently in this South-East Asian country thus may result in different findings. Apprehending from that, the researcher is interested to find out the success and effectiveness of ESS implementation in Malaysia perspective.

### 1.3 Research Objectives

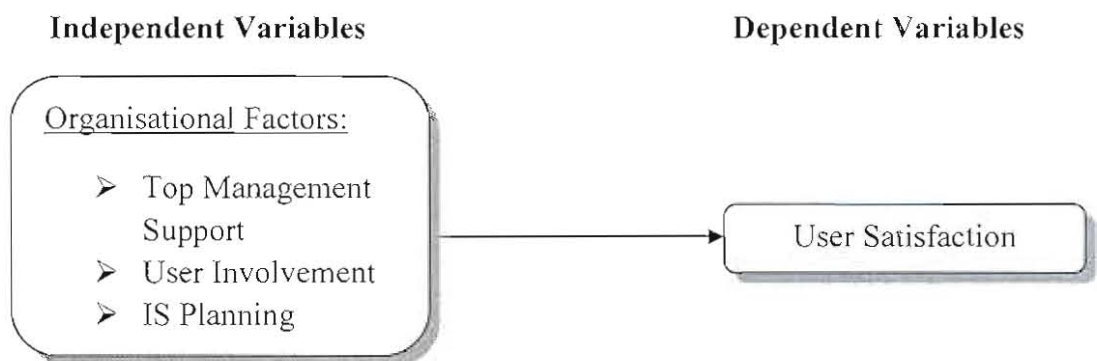
Generally, this research aims to determine the relationship between organisational factors, which include top management support, user involvement and IS planning, with user satisfaction of using ESS.

Specifically, the objectives of this study are as follow:

- i. To determine the relationship between top management support and user satisfaction of using ESS
- ii. To determine the relationship between user involvement and user satisfaction of using ESS
- iii. To determine the relationship between IS planning and user satisfaction of using ESS
- iv. To determine the dominant factor among top management support, user involvement and IS planning which related the most with user satisfaction of using ESS

### 1.4 Conceptual Framework

Figure 1.1 shows that the independent variables in this research are the organisational factors, which are top management support, user involvement and information system planning. Whereas, the dependent variable of this research is user satisfaction in using the ESS. This framework will be used to develop research hypotheses.



(Adapted from Thong, 2001)

**Figure 1.1:** Conceptual Framework

## 1.5 Research Hypotheses

To determine the relationship between organisational factors and user satisfaction of using ESS, the following hypotheses will be tested:

**H<sub>A1</sub>:** There is a significant relationship between top management support and user satisfaction of using ESS (Thong, 2001; Cerveney and Sanders, 1986; Ginzberg, 1975)

**H<sub>A2</sub>:** There is a significant relationship between user involvement and user satisfaction of using ESS (Baroudi, Olson and Ives, 1986; Swanson, 1974)

**H<sub>A3</sub>:** There is a significant relationship between information system planning and user satisfaction of using ESS (Montazemi, 1988; McKinney and Co., 1968)

**H<sub>A4</sub>:** There is a dominant factor among of top management support, user involvement and IS planning which related the most with user satisfaction of using ESS

## 1.6 Definition of Terms

### 1.6.1 Employee Self Service

Conceptual: Involves the use of interactive technology by employees and managers to obtain information, conduct transactions, and essentially “shortcut” processes that previously required multiple steps, paperwork, the involvement of HR staffers, and all the delays such processes are heir to (Zampetti and Adamson, 2001).

Operational: An application or software tool used by UNIMAS to give employees the information they need about their own details such as their benefits and leave balance, without having to contact Human Resources Department.

### 1.6.2 Top Management Support

Conceptual: Manager’s support in the form of managerial guidance in planning, design, development and implementation activities (Bruwer, 1984 & Doll, 1985, as cited in Thong, Yap & Raman, 1993).

Operational: Support in terms of monetary aids, supervision and adequate training in addition to participation from the managers and CEOs of UNIMAS with potential users in the design and implementation of ESS to maintain its quality.

### **1.6.3 User Involvement**

Conceptual: As cited in Baroudi, Olson & Ives, 1986, user involvement refers to providing users with feedback from questionnaires (Bostrom & Heinen, 1977), assigning users to the design team (Kling, 1977) and employing formal user liaisons (Lucas, 1974).

Operational: Involving the potential user; that is the employees, in the process of designing and implementing the ESS in UNIMAS by allowing them time-off from their normal responsibilities to contribute in terms of skill and ideas.

### **1.6.4 IS Planning**

Conceptual: Process of planning which brings together the business aims of an organization, an understanding of the information needed to support those aims, and the implementation of information communication technology to provide that information (Wilson, 1989, as cited in Mohammad Rudy Salahuddin & Alexander Rusli, 2005)

Operational: A strategic plan for development of ESS in UNIMAS in terms of analysis of user requirements, analysis and design of the ESS, and controls of resources.

### **1.6.5 User Satisfaction**

Conceptual: The extent to which users believe the information system meets their information requirements (Ives, Olson & Baroudi, 1983, as cited in Thong, 2001).



Operational: The feeling of willing and perceived acceptability of ESS among UNIMAS employees in using the system as a result to the system meets their needs and expectation.

## **1.7 Importance / Significance of the Study**

### **1.7.1 To the HR Practitioners**

This research has a major significance to the practitioners, theories as well as to the robustness of research methodology in order to investigate the implementation of employee self-service. HR practitioners such as HR executives, managers and employers may identify the possible factors in implementing employee self-service system in the organisation. The most indeed organisational factors that can influence user satisfaction are including the support from the top manager in the company, involving user or employee in the implementation process, in addition to a well-planned IS. The organisations should direct their efforts at lowering these types of barriers. Acting upon these constrictions shall result a success implementation of information systems, mostly employee self-service system.

### **1.7.2 To the Theories**

Apart from that, this paper is also important to the theories of IS. The theory of Resource-Based and Herzberg's Two-Factor theory used in this study are useful to ground future research on IS implementation in any businesses.

### **1.7.3 To the Research Methodology**

Nevertheless, this study may also contribute to the robustness of methodology in a research. Since there is a lack of research on IS done in the Malaysia context, this research may provide a great approach in studying the success of any IS in Malaysia perspective. The factors used in this research are believed to be the utmost and common problem in implementing an effective IS and may be applicable to small businesses or enterprises on top of large organisations. Hence, the methodology used

in this study can be a good guideline for other researches in Malaysia that will be done regarding the IS implementation issue.

### **1.8 Limitations of the Study**

There are several limitations in this study that suggest future research opportunities. Firstly, this study only focuses on three variables of organisational factors. In point of fact, there are other organisational factors which can be used to study on the IS. For examples, organisational culture, user attitudes, size of the organisation, and so on and so forth (Kamarulbaraini Keliwon, Aini Aman & Azmi Harun, 2002). Besides, there is also another construct that can be used to measure the success of any IS apart from the user satisfaction, for example organisational impact (Thong, Yap & Raman, 1993).

On the other hand, this research is only focuses on the non-academic employees of a higher education institute in Malaysia, which is Universiti Malaysia Sarawak (UNIMAS). The results may be different between the academic staff and non-academic staff. Plus, the focus of this study might not be appropriate for certain organisation that have different working environment, especially in the private sector. Thus, the findings of this study might not be applicable to other organisation where the nature of business is different.

Finally, future researches should take into account the context of Malaysia, a newly developed Asian country in making generalization from the research sample. Even though the findings may not be universally true, but they are likely to be applicable to IS implementation success in other relevant organisations with similar cultural context.

### **1.9 Discussion**

This chapter has outlined the important aspects that need to be considered before conducting this research. Elements such as research objectives, statement of problems as well as conceptual framework are crucial in assisting the researcher to have clear

guidelines and directions. These will also prevent the researcher from being distracted while executing this study and thus minimizing errors.

## **1.10 Conclusion**

This chapter has generally introduced the topic of this paper as well as the elements to be studied. Furthermore, the variables such as top management support, user involvement, IS planning, and not excluding user satisfaction have been illustrated clearly. The following chapter will elaborate on the previous study done regarding this topic.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter consist mainly the work of other researchers which the researcher has come across throughout the process of conducting this study. Elements such as employee self-service, top management support, user involvement, information systems planning and user satisfaction will be further elaborated in this chapter.

#### **2.1 Human Resource Management (HRM)**

Human Resource Management (HRM) can be defined as the utilization of individuals to achieve organisational objectives (Mondy, Noe & Premeaux, 2002). An effective HRM consists of five functional areas including staffing, human resource development, compensation and benefits, safety and health, as well as employee and labor relations. These functional areas are important as the key of organisation success.

The emergence of technology has brought a great impact to HRM. Today, firms are putting more emphasis on recruiting individuals with an enormous knowledge and ability in computers and information systems. In fact, the use of technology in managing human resource has also becomes a trend. For example, organisations have increasingly introduced electronic HRM (e-HRM). A study by Lepak and Snell in 1998 revealed that there is a sound of belief that e-HRM should facilitate by